



General Assembly

Amendment

June 30 Special Session, 2003

LCO No. 8113

HB0680608113SD0

Offered by:

SEN. HARP, 10th Dist.

SEN. DAILY, 33rd Dist.

To: House Bill No. 6806

File No.

Cal. No.

***"AN ACT CONCERNING GENERAL BUDGET AND REVENUE
IMPLEMENTATION PROVISIONS."***

1 In line 341, strike "local or regional boards of education" and insert
2 "towns, regional boards of education or regional educational service
3 centers" in lieu thereof

4 Strike section 12 in its entirety and insert the following in lieu
5 thereof:

6 "Sec. 12. Section 10-66j of the general statutes is amended by adding
7 subsection (e) as follows (*Effective from passage*):

8 (NEW) (e) Notwithstanding the provisions of this section, for the
9 fiscal years ending June 30, 2004, and June 30, 2005, the amount of
10 grants payable to regional educational service centers, shall be reduced
11 proportionately if the total of such grants in such year exceeds the
12 amount appropriated for such grants for such year."

13 In line 635, after "statutes", insert ", as amended by sections 1 and 10
14 of public act 03-76,"

15 In lines 636 and 637, strike "(c)" and insert "(d)" in lieu thereof

16 Strike sections 22 and 23 in their entirety and insert the following in
17 lieu thereof:

18 "Sec. 22. Subdivision (28) of section 10-262f of the general statutes
19 is repealed and the following is substituted in lieu thereof (*Effective*
20 *from passage*):

21 (28) "Base revenue" for the fiscal year ending June 30, 1995, means
22 the sum of the grant entitlements for the fiscal year ending June 30,
23 1995, of a town pursuant to section 10-262h, as amended by this act,
24 and subsection (a) of section 10-76g, including its proportional share,
25 based on enrollment, of the revenue paid pursuant to section 10-76g, to
26 the regional district of which the town is a member, and for each fiscal
27 year thereafter means the amount of each town's entitlement pursuant
28 to section 10-262h, as amended by this act, minus its density
29 supplement, as determined pursuant to subdivision (6) of subsection
30 (a) of section 10-262h, as amended by this act, except that for the fiscal
31 year ending June 30, 2003, each town's entitlement shall be determined
32 without using the adjustments made to the previous year's grant
33 pursuant to subparagraph (M) of subdivision (6) of subsection (a) of
34 section 10-262h, as amended by this act, except that for the fiscal year
35 ending June 30, 2004, each town's entitlement shall be determined
36 without using the adjustments made to the previous year's grant
37 pursuant to subparagraph (N) of subdivision (6) of subsection (a) of
38 section 10-262h, as amended by this act.

39 Sec. 23. Subdivision (6) of subsection (a) of section 10-262h of the
40 general statutes is repealed and the following is substituted in lieu
41 thereof (*Effective from passage*):

42 (6) For the fiscal year ending June 30, 1996, and each fiscal year
43 thereafter, a grant in an amount equal to the amount of its target aid as

44 described in subdivision (32) of section 10-262f, except that such
45 amount shall be capped in accordance with the following: (A) For the
46 fiscal years ending June 30, 1996, June 30, 1997, June 30, 1998, and June
47 30, 1999, for each town, the maximum percentage increase over its
48 previous year's base revenue shall be the product of five per cent and
49 the ratio of the wealth of the town ranked one hundred fifty-third
50 when all towns are ranked in descending order to each town's wealth,
51 provided no town shall receive an increase greater than five per cent.
52 (B) For the fiscal years ending June 30, 2000, June 30, 2001, June 30,
53 2002, [and] June 30, 2003, June 30, 2004, and June 30, 2005, for each
54 town, the maximum percentage increase over its previous year's base
55 revenue shall be the product of six per cent and the ratio of the wealth
56 of the town ranked one hundred fifty-third when all towns are ranked
57 in descending order to each town's wealth, provided no town shall
58 receive an increase greater than six per cent. (C) No such cap shall be
59 used for the fiscal year ending June 30, [2004] 2006, or any fiscal year
60 thereafter. (D) For the fiscal year ending June 30, 1996, for each town,
61 the maximum percentage reduction from its previous year's base
62 revenue shall be equal to the product of three per cent and the ratio of
63 each town's wealth to the wealth of the town ranked seventeenth when
64 all towns are ranked in descending order, provided no town's grant
65 shall be reduced by more than three per cent. (E) For the fiscal years
66 ending June 30, 1997, June 30, 1998, and June 30, 1999, for each town,
67 the maximum percentage reduction from its previous year's base
68 revenue shall be equal to the product of five per cent and the ratio of
69 each town's wealth to the wealth of the town ranked seventeenth when
70 all towns are ranked in descending order, provided no town's grant
71 shall be reduced by more than five per cent. (F) For the fiscal year
72 ending June 30, 2000, and each fiscal year thereafter, no town's grant
73 shall be less than the grant it received for the prior fiscal year. (G) [In]
74 For each fiscal year through the fiscal year ending June 30, 2003, in
75 addition to the amount determined pursuant to this subdivision, a
76 town shall be eligible for a density supplement if the density of the
77 town is greater than the average density of all towns in the state. The
78 density supplement shall be determined by multiplying the density aid

ratio of the town by the foundation level and the town's total need students for the prior fiscal year provided, for the fiscal year ending June 30, 2000, and each fiscal year thereafter, no town's density supplement shall be less than the density supplement such town received for the prior fiscal year. (H) For the fiscal year ending June 30, 1997, the grant determined in accordance with this subdivision for a town ranked one to forty-two when all towns are ranked in descending order according to town wealth shall be further reduced by one and two-hundredths of a per cent and such grant for all other towns shall be further reduced by fifty-six-hundredths of a per cent. (I) For the fiscal year ending June 30, 1998, and each fiscal year thereafter, no town whose school district is a priority school district shall receive a grant pursuant to this subdivision in an amount that is less than the amount received under such grant for the prior fiscal year. (J) For the fiscal year ending June 30, 2000, and each fiscal year [thereafter] through the fiscal year ending June 30, 2003, no town whose school district is a priority school district shall receive a grant pursuant to this subdivision that provides an amount of aid per resident student that is less than the amount of aid per resident student provided under the grant received for the prior fiscal year. (K) For the fiscal year ending June 30, 1998, and each fiscal year thereafter, no town whose school district is a priority school district shall receive a grant pursuant to this subdivision in an amount that is less than seventy per cent of the sum of (i) the product of a town's base aid ratio, the foundation level and the town's total need students for the fiscal year prior to the year in which the grant is to be paid, (ii) the product of a town's supplemental aid ratio, the foundation level and the sum of the portion of its total need students count described in subparagraphs (B) and (C) of subdivision (25) of section 10-262f for the fiscal year prior to the fiscal year in which the grant is to be paid, and the adjustments to its resident student count described in subdivision (22) of said section 10-262f relative to length of school year and summer school sessions, and (iii) the town's regional bonus. (L) For the fiscal year ending June 30, 2000, and each fiscal year thereafter, no town whose school district is a transitional school district shall receive a grant pursuant to this

114 subdivision in an amount that is less than forty per cent of the sum of
115 (i) the product of a town's base aid ratio, the foundation level and the
116 town's total need students for the fiscal year prior to the fiscal year in
117 which the grant is to be paid, (ii) the product of a town's supplemental
118 aid ratio, the foundation level and the sum of the portion of its total
119 need students count described in subparagraphs (B) and (C) of
120 subdivision (25) of section 10-262f for the fiscal year prior to the fiscal
121 year in which the grant is to be paid, and the adjustments to its
122 resident student count described in subdivision (22) of said section
123 10-262f relative to length of school year and summer school sessions,
124 and (iii) the town's regional bonus. (M) For the fiscal year ending June
125 30, 2002, (i) each town whose target aid is capped pursuant to this
126 subdivision shall receive a grant that includes a pro rata share of
127 twenty-five million dollars based on the difference between its target
128 aid and the amount of the grant determined with the cap, and (ii) all
129 towns shall receive a grant that is at least 1.68 per cent greater than the
130 grant they received for the fiscal year ending June 30, 2001. (N) For the
131 fiscal year ending June 30, 2003, (i) each town whose target aid is
132 capped pursuant to this subdivision shall receive a pro rata share of
133 fifty million dollars based on the difference between its target aid and
134 the amount of the grant determined with the cap, and (ii) each town
135 shall receive a grant that is at least 1.2 per cent more than its base
136 revenue, as defined in subdivision (28) of section 10-262f, as amended
137 by this act. (O) For the fiscal year ending June 30, 2003, each town shall
138 receive a grant that is at least equal to the grant it received for the prior
139 fiscal year. (P) For the fiscal year ending June 30, 2004, (i) each town
140 whose target aid is capped pursuant to this subdivision shall receive a
141 grant that includes a pro rata share of fifty million dollars based on the
142 difference between its target aid and the amount of the grant
143 determined with the cap, (ii) each town's grant including the cap
144 supplement shall be reduced by three per cent, (iii) the towns of
145 Bridgeport, Hartford and New Haven shall each receive a grant that is
146 equal to the grant such towns received for the prior fiscal year plus one
147 million dollars, (iv) those towns described in clause (i) of this
148 subparagraph shall receive a grant that includes a pro rata share of

149 three million dollars based on the same pro rata basis as used in said
150 clause (i), (v) towns whose school districts are priority school districts
151 pursuant to subsection (a) of section 10-266p or transitional school
152 districts pursuant to section 10-263c or who are eligible for grants
153 under section 10-276a or 10-263d for the fiscal years ending June 30,
154 2002, to June 30, 2004, inclusive shall receive grants that are at least
155 equal to the grants they received for the prior fiscal year, (vi) towns not
156 receiving funds under clause (iii) of this subparagraph shall receive a
157 pro rata share of any remaining funds based on their grant determined
158 under this subparagraph. (Q) For the fiscal year ending June 30, 2005,
159 each town shall receive a grant equal to the grant it received for the
160 prior fiscal year."

161 In line 1066, strike "replacement"

162 Strike section 37 in its entirety and renumber the remaining sections
163 and internal references accordingly

164 Strike section 53 in its entirety and insert the following in lieu
165 thereof:

166 "Sec. 53. Subparagraph (A) of subdivision (72) of section 12-81 of the
167 general statutes is repealed and the following is substituted in lieu
168 thereof (*Effective from passage and applicable to assessment years*
169 *commencing on or after October 1, 2002*):

170 (72) (A) [New] Effective for assessment years commencing on or
171 after October 1, 2002, new machinery and equipment, as defined
172 [herein] in this subdivision, acquired after October 1, 1990, and newly-
173 acquired machinery and equipment, as defined [herein] in this
174 subdivision, acquired on or after July 1, 1992, by the person claiming
175 exemption under this subdivision, provided this exemption shall only
176 be applicable in the five full assessment years following the assessment
177 year in which such machinery or equipment is acquired, subject to the
178 provisions of subparagraph (B) of this subdivision. Machinery and
179 equipment acquired on or after July 1, 1996, and used in connection
180 with biotechnology shall qualify for the exemption under this

181 subsection. For the purposes of this subdivision: (i) "Machinery" and
182 "equipment" mean tangible personal property which is installed in a
183 manufacturing facility, either five-year property or seven-year
184 property, as those terms are defined in Section 168(e) of the Internal
185 Revenue Code of 1986, or any subsequent corresponding internal
186 revenue code of the United States, as from time to time amended, and
187 the predominant use of which is for manufacturing, processing or
188 fabricating; for research and development, including experimental or
189 laboratory research and development, design or engineering directly
190 related to manufacturing; for the significant servicing, overhauling or
191 rebuilding of machinery and equipment for industrial use or the
192 significant overhauling or rebuilding of other products on a factory
193 basis; for measuring or testing or for metal finishing; or used in the
194 production of motion pictures, video and sound recordings.
195 "Machinery" means the basic machine itself, including all of its
196 component parts and contrivances such as belts, pulleys, shafts,
197 moving parts, operating structures and all equipment or devices used
198 or required to control, regulate or operate the machinery, including,
199 without limitation, computers and data processing equipment,
200 together with all replacement and repair parts therefor, whether
201 purchased separately or in conjunction with a complete machine, and
202 regardless of whether the machine or component parts thereof are
203 assembled by the taxpayer or another party. "Equipment" means any
204 device separate from machinery but essential to a manufacturing ,
205 processing or fabricating process. (ii) "Manufacturing facility" means
206 that portion of a plant, building or other real property improvement
207 used for manufacturing, processing or fabricating, for research and
208 development, including experimental or laboratory research and
209 development, design or engineering directly related to manufacturing,
210 for the significant servicing, overhauling or rebuilding of machinery
211 and equipment for industrial use or the significant overhauling or
212 rebuilding of other products on a factory basis, for measuring or
213 testing or for metal finishing. (iii) "Manufacturing" means the activity
214 of converting or conditioning tangible personal property by changing
215 the form, composition, quality or character of the property for ultimate

216 sale at retail or use in the manufacturing of a product to be ultimately
217 sold at retail. Changing the quality of property shall include any
218 substantial overhaul of the property that results in a significantly
219 greater service life than such property would have had in the absence
220 of such overhaul or with significantly greater functionality within the
221 original service life of the property, beyond merely restoring the
222 original functionality for the balance of the original service life. (iv)
223 "Fabricating" means to make, build, create, produce or assemble
224 components or tangible personal property work in a new or different
225 manner, but does not include the presorting, sorting, coding, folding,
226 stuffing or delivery of direct or indirect mail distribution services. (v)
227 "Processing" means the physical application of the materials and labor
228 in a manufacturing process necessary to modify or change the
229 characteristics of tangible personal property. (vi) "Measuring or
230 testing" includes both nondestructive and destructive measuring or
231 testing, and the alignment and calibration of machinery, equipment
232 and tools, in the furtherance of the manufacturing, processing or
233 fabricating of tangible personal property. (vii) "Biotechnology" means
234 the application of technologies, including recombinant DNA
235 techniques, biochemistry, molecular and cellular biology, genetics and
236 genetic engineering, biological cell fusion techniques, and new
237 bioprocesses, using living organisms, or parts of organisms, to produce
238 or modify products, to improve plants or animals, to develop
239 microorganisms for specific uses, to identify targets for small molecule
240 pharmaceutical development, or to transform biological systems into
241 useful processes and products. [or to develop microorganisms for
242 specific uses;]"

243 In line 2360, insert brackets around "and"

244 In line 2365, strike the period and insert "; and (7) nothing in this act
245 shall be construed as requiring a participating insurer or health care
246 center to issue individual policies to individuals eligible for a health
247 coverage tax credit."

248 In line 3228, after "12-218," insert "12-218b,"

- 249 In line 4126, strike "an overhead" and substitute "a" in lieu thereof
- 250 In line 4135, strike "overhead"
- 251 In line 7680, strike "Six hundred twenty-five thousand" and insert
252 "Sixty-two thousand five hundred" in lieu thereof
- 253 In line 7681, strike "six hundred twenty-five thousand" and insert
254 "sixty-two thousand five hundred" in lieu thereof
- 255 After the last section, add the following and renumber sections and
256 internal references accordingly:
- 257 "Sec. 501. Subdivision (2) of subsection (e) of section 10-76d of the
258 general statutes is repealed and the following is substituted in lieu
259 thereof (*Effective from passage*):
- 260 (2) Notwithstanding any other provisions of the general statutes, for
261 the fiscal year ending June 30, 1987, and each fiscal year thereafter,
262 whenever a public agency, other than a local or regional board of
263 education, the State Board of Education or the Superior Court acting
264 pursuant to section 10-76h, places a child in a foster home, group
265 home, hospital, state institution, receiving home, custodial institution
266 or any other residential or day treatment facility, and such child
267 requires special education, the local or regional board of education
268 under whose jurisdiction the child would otherwise be attending
269 school or, if no such board can be identified, the local or regional board
270 of education of the town where the child is placed, shall provide the
271 requisite special education and related services to such child in
272 accordance with the provisions of this section. Within one business day
273 of such a placement by the Department of Children and Families, said
274 department shall orally notify the local or regional board of education
275 responsible for providing special education and related services to
276 such child of such placement. The department shall provide written
277 notification to such board of such placement within two business days
278 of the placement. Such local or regional board of education shall
279 convene a planning and placement team meeting for such child within

280 thirty days of the placement and shall invite a representative of the
281 Department of Children and Families to participate in such meeting.
282 (A) The local or regional board of education under whose jurisdiction
283 such child would otherwise be attending school shall be financially
284 responsible for the reasonable costs of such special education and
285 related services in an amount equal to the lesser of one hundred per
286 cent of the costs of such education or the average per pupil educational
287 costs of such board of education for the prior fiscal year, determined in
288 accordance with the provisions of subsection (a) of section 10-76f. The
289 State Board of Education shall pay on a current basis, except as
290 provided in subdivision (3) of this subsection, any costs in excess of
291 such local or regional board's basic contributions paid by such board of
292 education in accordance with the provisions of this subdivision. (B)
293 Whenever a child is placed pursuant to this subdivision, on or after
294 July 1, 1995, by the Department of Children and Families and the local
295 or regional board of education under whose jurisdiction such child
296 would otherwise be attending school cannot be identified, the local or
297 regional board of education under whose jurisdiction the child
298 attended school or in whose district the child resided at the time of
299 removal from the home by said department shall be responsible for the
300 reasonable costs of special education and related services provided to
301 such child, for one calendar year or until the child is committed to the
302 state pursuant to section 46b-129 or 46b-140 or is returned to [his] the
303 child's parent or guardian, whichever is earlier. If the child remains in
304 such placement beyond one calendar year the Department of Children
305 and Families shall be responsible for such costs. During the period the
306 local or regional board of education is responsible for the reasonable
307 cost of special education and related services pursuant to this
308 subparagraph, the board shall be responsible for such costs in an
309 amount equal to the lesser of one hundred per cent of the costs of such
310 education and related services or the average per pupil educational
311 costs of such board of education for the prior fiscal year, determined in
312 accordance with the provisions of subsection (a) of section 10-76f. The
313 State Board of Education shall pay on a current basis, except as
314 provided in subdivision (3) of this subsection, any costs in excess of

315 such local or regional board's basic contributions paid by such board of
316 education in accordance with the provisions of this subdivision. The
317 costs for services other than educational shall be paid by the state
318 agency which placed the child. The provisions of this subdivision shall
319 not apply to the school districts established within the Department of
320 Children and Families, pursuant to section 17a-37, the Department of
321 Correction, pursuant to section 18-99a, or the Department of Mental
322 Retardation, pursuant to section 17a-240, provided in any case in
323 which special education is being provided at a private residential
324 institution, including the residential components of regional
325 educational service centers, to a child for whom no local or regional
326 board of education can be found responsible under subsection (b) of
327 this section, Unified School District #2 shall provide the special
328 education and related services and be financially responsible for the
329 reasonable costs of such special education instruction for such
330 children. Notwithstanding the provisions of this subdivision, for the
331 fiscal years ending June 30, 2004, and June 30, 2005, the amount of the
332 grants payable to local or regional boards of education in accordance
333 with this subdivision shall be reduced proportionately if the total of
334 such grants in such year exceeds the amount appropriated for the
335 purposes of this subdivision for such year.

336 Sec. 502. Subdivision (3) of subsection (e) of section 10-76d of the
337 general statutes is repealed and the following is substituted in lieu
338 thereof (*Effective from passage*):

339 (3) Payment for children who require special education and who
340 reside on state-owned or leased property or in permanent family
341 residences as defined in section 17a-154, and who are not the
342 educational responsibility of the unified school districts established
343 pursuant to section 17a-37, section 17a-240 or section 18-99a, shall be
344 made in the following manner: The State Board of Education shall pay
345 to the school district which is responsible for providing instruction for
346 each such child pursuant to the provisions of this subsection one
347 hundred per cent of the reasonable costs of such instruction. In the
348 fiscal year following such payment, the State Board of Education shall

349 deduct from the special education grant due the local or regional board
350 of education under whose jurisdiction the child would otherwise be
351 attending school, where such board has been identified, the amount
352 for which such board would otherwise have been financially
353 responsible pursuant to the provisions of subdivision (2) of this
354 subsection. No such deduction shall be made for any school district
355 which is responsible for providing special education instruction for
356 children whose parents or legal guardians do not reside within such
357 district. The amount deducted shall be included as a net cost of special
358 education by the Department of Education for purposes of the state's
359 special education grant calculated pursuant to section 10-76g. A school
360 district otherwise eligible for reimbursement under the provisions of
361 this subdivision for the costs of education of a child residing in a
362 permanent family residence shall continue to be so eligible in the event
363 that a person providing foster care in such residence adopts the child.
364 Notwithstanding the provisions of this subdivision, for the fiscal years
365 ending June 30, 2004, and June 30, 2005, the amount of the grants
366 payable to local or regional boards of education in accordance with
367 this subdivision shall be reduced proportionately if the total of such
368 grants in such year exceeds the amount appropriated for the purposes
369 of this subdivision for such year.

370 Sec. 503. Subsection (b) of section 10-253 of the general statutes is
371 repealed and the following is substituted in lieu thereof (*Effective from*
372 *passage*):

373 (b) The board of education of the school district under whose
374 jurisdiction a child would otherwise be attending school shall be
375 financially responsible for the reasonable costs of education for a child
376 placed out by the Commissioner of Children and Families or by other
377 agencies in a private residential facility when such child requires
378 educational services other than special education services. Such
379 financial responsibility shall be the lesser of one hundred per cent of
380 the costs of such education or the average per pupil educational costs
381 of such board of education for the prior fiscal year, determined in
382 accordance with subsection (a) of section 10-76f. Any costs in excess of

383 the boards' basic contribution shall be paid by the State Board of
384 Education on a current basis. The costs for services other than
385 educational shall be paid by the state agency which placed the child.
386 Application for the grant to be paid by the state for costs in excess of
387 the local or regional board of education's basic contribution shall be
388 made in accordance with the provisions of subdivision (5) of
389 subsection (e) of section 10-76d. Notwithstanding the provisions of this
390 subsection, for the fiscal years ending June 30, 2004, and June 30, 2005,
391 the amount of the grants payable to local or regional boards of
392 education in accordance with this subsection shall be reduced
393 proportionately if the total of such grants in such year exceeds the
394 amount appropriated for the purposes of this subsection for such year.

395 Sec. 504. (*Effective from passage*) Notwithstanding section 6 of special
396 act 97-4, as amended by section 4 of special act 01-7, and section 10-
397 262i of the general statutes, one million dollars of the amount
398 appropriated to Hartford for the fiscal year ending June 30, 2004, for
399 equalization aid grant pursuant to section 10-262h of the general
400 statutes shall be paid by Hartford to the Teachers' Retirement System."